



غرفة تجارة وصناعة أبو ظبي
ABU DHABI CHAMBER OF COMMERCE & INDUSTRY

Sheikh Khalifa Excellence Award (SKEA)

The Sheikh Khalifa Excellence Award (SKEA) was been designed to recognize the achievement of organisations that demonstrate high performance through a journey of innovation, learning and continuous improvement. Organisations that participate in the award will discover that organisational excellence is a much broader concept than the instigation of a popular quality management system. It encompasses the way organisations meet or exceed the needs and expectations of stakeholders, in a balanced and proactive manner.

The Sheikh Khalifa Excellence award provides organisations with a roadmap to achieving excellence and suggests a methodology for conducting self assessment against the international criteria for organisational excellence used throughout Europe and beyond. The greatest benefit an organisation gets from registering for the award is the improvements gained from conducting self-assessment and using the excellence model to identify strengths and areas for improvement across all operations.

Applying for SKEA will give organisations a powerful mean of motivating their people and focusing their efforts on continuous improvement. As part of the award process, applicants for SKEA will receive a feedback report which details the strengths and areas for improvement against the award criteria, drawn by experienced assessors. Obviously, there is considerable prestige attached to winning the award with all the honour associate with this achievement. Moreover, the high profile award ceremony will establish winners as role models for other organisations to aspire.

Winners of Sheikh Khalifa Excellence Award (from Diamond, Gold and Silver categories), can benefit from the branding privileges and the display of special logos designed to distinguish the winners in each category. The award logos may be used by winners on their stationery and marketing collaterals for a maximum period of three years, after which the organisation is expected to reapply for the award.



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How to establish customer requirements and measure customer satisfaction

The **How to...** Series

Most organisations know where they should be improving their performance. The difficult part is obtaining detailed, impartial advice to set them in the right direction. The British Quality Foundation has responded to this need by producing a series of 'How to...' books.

The authors are experts on their subjects and the books are suitable for organisations of all sizes in all sectors. While they do not provide the complete solution, by following the ideas and approaches the reader will find a route to implementing performance improvement and achieving greater productivity and competitiveness.

This book answers the question

'How can we establish customer requirements and meet customer satisfaction?'

Other books in this series include:

How to measure and manage business performance

How to design and implement a corporate social responsibility strategy

How to identify and manage the organisation's key processes

How to become an Investor in Excellence

How to develop and make effective use of a balanced scorecard

How to benchmark your business processes

How to become an excellent organisation

Acknowledgement

This book was authored for the British Quality Foundation by Steve Tanner of Oakland Consulting plc.

Oakland Consulting Plc works with managers at all levels in private and public sector organisations to improve performance, providing support in strategy development, business process management, creative thinking, process re-design and change management. Oakland Consulting Plc has an active research programme and the output from this research has been used in writing this book.

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Introduction

‘There is only one valid definition of business purpose: To create a customer.’ Peter Drucker

Whatever type of organisation you work in - hospital, university, bank, insurance company, local government, airline, factory - competition is rife: competition for customers, for students, for patients, for resources, for funds. Organisations compete on their reputation - for quality, reliability, price and delivery - and key to building reputation is the way an organisation understands the needs of its customers and measures how well it is meeting these needs. This book addresses both of these activities.

The influence of the customer on the success of an organisation is growing. Customer choice is increasing and to survive organisations have to ‘differentiate or die’. In the new customer economy, customers are in control and customer relationships determine the value of the organisation. The customer experience also matters much more as this has a direct consequence on customer satisfaction and longer-term customer loyalty. The challenge is how to maintain profitability (or operate within budgets) and sustain growth at the same time as delivering high levels of customer satisfaction. Being customer focused is becoming a strategic imperative.

Philip Kotler defines customer satisfaction as:

‘A person’s feelings of pleasure or disappointment resulting from comparing a product’s and/ or service’s perceived performance (or outcome) in relation to his or her expectations.’

Whether the buyer is satisfied after purchase, or exchange of funds in the public sector, depends on the offer’s performance in relation to the buyer’s expectations.

The Business Case for Customer Satisfaction

Many organisations provide legendary levels of customer satisfaction. These include Disney, Marriott Hotels and Quinn Supermarkets. Such organisations are aiming for very high satisfaction because customers who are just satisfied still find it easy to switch when a better offer comes along. Those who are delighted are much less ready to switch. High satisfaction or delight creates an emotional bond with the offer, not just a rational preference. The Bank of America established a link between customer satisfaction and attrition rates, indicating that delighted customers were less likely to defect than dissatisfied customers. The result of their analysis is given in Figure 1.

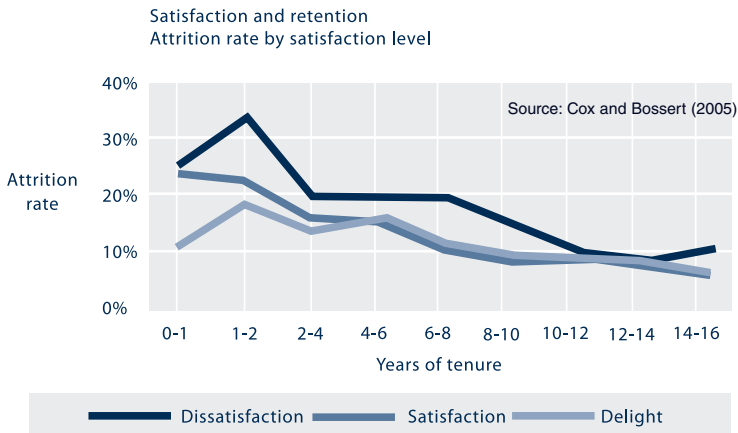


Figure 1: The link between customer satisfaction and retention in the Bank of America

A link has also been made between customer satisfaction and market share. AT&T has been collecting customer satisfaction information through customer surveys since the 1980s and has developed a 'Perception of Value' index. Figure 2 shows the results of an analysis where the value of this index has been plotted alongside AT&T's market share for its telephone business over a four-year period. The results show that there is a